

China to boost social credit system with new market regulatory measures

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BEIJING, June 12 (Xinhua) -- China will step up the building of social credit system by rolling out new market regulatory measures, the State Council announced at the latest executive meeting chaired by Premier Li Keqiang.

The Chinese government puts strong emphasis on the building of a social credit system.

Li urged improving the credit-based regulatory framework and applying an inter-agency approach in penalizing acts of bad faith.

"Credit-based regulation is crucial for the sound workings of market institutions. In developing the socialist market economy, the government must reform its functions and foster an enabling business environment. While streamlining administration and delegating powers, we will enhance oversight where necessary. And credit-based regulation is the foundation of this endeavor," Li said.

It was agreed at the meeting that the country will establish, in accordance with the law, authoritative, unified and accessible credit records of all market players based on their unified social credit codes. Government departments are required to share the information as permitted by law to break information monopoly and information silo. No government agencies should repeatedly ask market players to provide the same information that can be shared.

The mechanism of credit pledge by market players should be promoted, under which applications under certain government review items will be processed right away when applicants pledge to have met eligibility requirements and submit needed documentation.

A credit "blacklist" system will be further developed together with norms to go by in determining entities to be put on the list to enhance inter-agency punishment for acts of bad faith. Strict penalties, including denying market access, will be meted out to actors of bad faith in accordance with laws and regulations.

Tiered credit-based regulation will be promoted through inspections by randomly selected inspectors against randomly selected market players and prompt release of inspection results. The ratio of inspection targets and frequency of inspection shall be decided in light of the credit records of market players.

"The effective tool of penalties for acts of bad faith must be fully harnessed. The price to pay for institutional violations, breach of laws and even legal offenses now is too low. That is the underlying reason why some market players chose to cross the line," Li said. "We must establish and enhance a cross-sectoral, inter-agency mechanism to deal with such behaviors."

The meeting also called for applying the Internet Plus model and technologies such as big data to make regulation over acts of bad faith more timely, precise and effective. The government will safeguard credit information security and stringently protect trade secrets and individual privacy. Any leakage, falsification or exploitation of credit information for personal gains will be seriously dealt with.

"We need to follow the laws of the market," Li said. "Punitive measures such as blacklisting actors of bad faith and denying them market access can also help motivate market players to abide by the law. This will improve our social credit system and market environment."

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